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Canada Atlantic Accord

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The Atlantic Accord

Memorandum of agreement
between the Government of
Canada and the Government of
Newfoundland and Labrador on
offshore oil and gas resource
management and revenue sharing.



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THE ATLANTIC ACCORD

1. The Government of Canada and the Government of Newfoundland and Labrador have reached an Accord on joint management of the offshore oil and gas resources off Newfoundland and Labrador and the sharing of revenues from the exploitation of these resources. The Accord will be implemented, to the extent possible, through mutual and parallel legislation to be introduced by both governments into the Parliament of Canada and the Legislature of Newfoundland and Labrador.

PURPOSES OF THE ACCORD

2. The purposes of this Accord are:
- (a) to provide for the development of oil and gas resources offshore Newfoundland for the benefit of Canada as a whole and Newfoundland and Labrador in particular;
 - (b) to protect, preserve, and advance the attainment of national self-sufficiency and security of supply;
 - (c) to recognize the right of Newfoundland and Labrador to be the principal beneficiary of the oil and gas resources off its shores, consistent with the requirement for a strong and united Canada;
 - (d) to recognize the equality of both governments in the management of the resource, and ensure that the pace and manner of development optimize the social and economic benefits to Canada as a whole and to Newfoundland and Labrador in particular;
 - (e) to provide that the Government of Newfoundland and Labrador can establish and collect resource revenues as if these resources were on land, within the province;
 - (f) to provide for a stable and fair offshore management regime for industry;
 - (g) to provide for a stable and permanent arrangement for the management of the offshore adjacent to Newfoundland by enacting the relevant provisions of this Accord in legislation of the Parliament of Canada and the Legislature of Newfoundland and Labrador and by providing that the Accord may only be amended by the mutual consent of both governments; and
 - (h) to promote within the system of joint management, insofar as is appropriate, consistency with the management regimes established for other offshore areas in Canada.

JOINT MANAGEMENT

3. The two parties agree to establish the Canada-Newfoundland Offshore Petroleum Board, hereinafter called "the Board", to administer the relevant provisions of the Canada-Newfoundland Atlantic Accord Implementation Act as enacted by the Parliament of Canada and the Legislature of Newfoundland and Labrador, and other relevant legislation.
4. The Board shall consist of seven members: three of whom shall be appointed by the Government of Canada and three of whom shall be appointed by the Government of Newfoundland and Labrador. The Chairman shall be jointly appointed by both governments. Members of the Board shall not be public servants of Canada or Newfoundland and shall be subject to conflict of interest guidelines.
5. In the event that after three months of consultation, the two governments fail to agree on the Chairman, the Chairman shall be chosen by a panel consisting of one nominee from each government who shall agree on a third person to chair the panel. In the event that the nominees fail to agree on the Chairman of the panel, the Chairman shall be selected by the Chief Justice of Newfoundland. The decision of the panel shall be binding on both governments.
6. The first members of the Board shall be appointed by each government for staggered terms of four, five and six years respectively in order that only two members retire in any one year. The Chairman shall be appointed for a term of seven years. Subsequently, members and the Chairman shall be appointed for terms of six years. On completion of a term, members and the Chairman may be reappointed for further terms. They shall hold office during good behaviour. Each government may appoint one alternate member to serve as a member in the absence of one of the members nominated by that government.
7. The quorum of the Board shall be four of the members.
8. The offices of the Board and its staff shall be located in Newfoundland.
9. The Board may from time to time establish or change its rules and procedures including provisions for reasonable notice of meetings.
10. The Board may review and make recommendations to the two governments with respect to proposed amendments to the legislation implementing the Accord and the regulations made thereunder.

11. The Board shall keep the Government of Canada and the Government of Newfoundland and Labrador informed of its decisions in a timely manner.

12. Both governments agree that the Board should make its decisions on the basis of consensus. Members of the Board are not to act as nominees of the government which appointed them. In the absence of consensus, decisions will be made by the Board on majority vote.

13. The Board shall provide both governments with full and complete access to all information held by the Board. In addition, the Board shall require applicants, permittees, and licencees to concurrently file copies of all material filed with the Board with both Governments.

14. The Board shall report promptly and concurrently to the designated department or Agency of both governments any significant event or information received by the Board.

15. The Board shall meet at least once monthly and at any other time at the call of the Chairman, or at the call of any two members. The Board shall also meet when requested by either one or both of the two governments, to review any matter referred to it by a government.

16. The Board shall select and appoint a Chief Executive Officer through an open competitive process. Alternatively, the two governments may appoint the Chairman of the Board as Chief Executive Officer. The appointment of a separate Chief Executive Officer is subject to the approval of both governments. Failing agreement, the arbitration process set out for the appointment of the Chairman shall apply for the selection of a Chief Executive Officer. The Chief Executive Officer shall be fully accountable to the Board.

17. The Board shall, upon the recommendation of the Chief Executive Officer, appoint sufficient staff to fully carry out its functions under the Accord legislation. The staff shall be selected on the basis of merit, generally following a public competition and shall be employees of the Board. When requested by the Board, both governments will take action to facilitate mobility between employment in the federal and provincial public services and employment in the Board, including secondments and portable pensions.

18. The Chief Executive Officer shall prepare a budget for the Board on an annual basis. Following approval of the budget by the Board, it shall be submitted to both governments for their consideration and approval. The budget shall be sufficient to permit the Board to carry out its duties under the legislation implementing the Accord. Each government shall pay one-half of the approved annual cost of Board operations.

19. The Board shall establish, maintain and operate a facility in Newfoundland for the storage and curatorship of all geophysical records and geological and hydrocarbon samples relating to the offshore area.

20. The Board shall prepare an annual report and submit it to both governments by the end of the first quarter of the following calendar year. The report, which shall contain an audited financial statement and a description of the Board's activities during the previous year, shall be tabled in the House of Commons and the House of Assembly by the Minister of Energy, Mines and Resources and the designated Newfoundland Minister respectively. Provision will also be made in the legislation implementing the Accord for the Government of Canada and the Government of Newfoundland and Labrador to have access to the books and accounts of the Board for the purposes of an audit.

DECISIONS IN RELATION TO OFFSHORE MANAGEMENT

21. For the purposes of defining the role of the Board and Ministers, decisions on offshore resources shall be divided as follows:

- (a) decisions made by Parliament, the Government of Canada, or Federal Ministers (clause 22);
- (b) decisions made by the Newfoundland Legislature, the Newfoundland Government or Provincial Ministers (clause 23);
- (c) decisions made by the Board subject to no ministerial review or directives (clause 24); and
- (d) decisions made by the Board subject to the approval of the appropriate Minister (Fundamental Decisions, clause 25), or subject to directions from the Ministers of both governments (clause 33a).

22. Decisions made by Parliament, the Government of Canada or Federal Ministers alone comprise:

- (a) decisions related to Canadianization policy (e.g., discretionary Canadian Ownership requirements);
- (b) decisions made under legislation of general application not specifically related to oil and gas exploration and production (e.g., Fisheries Act, Canada Shipping Act, Immigration Act); and
- (c) decisions related to the application of federal taxes.

23. Decisions made by the Newfoundland Legislature, the Newfoundland Government, or Provincial Ministers alone comprise:

- (a) the royalty regime and other provincial-type revenues (see clause 37); and
- (b) decisions related to provincial laws of general application having effect in the offshore pursuant to clause 61.

24. The Board shall make all other decisions relating to the regulation and management of petroleum-related activities in the offshore area. Except for fundamental decisions, as set out in clause 25, all decisions of the Board shall be final. Without limiting the generality of the above, such final decisions shall include:

- (a) The Declaration of Discoveries:
 - . declaration of significant discoveries and commercial discoveries
- (b) Production Licences:
 - . granting and renewal of a production licence
 - . exclusion of lands from a production licence
- (c) Compliance Functions:
 - . prosecution, notices, and orders regarding offences
- (d) The Administration of Regulations Respecting "Good Oilfield Practice":
 - . orders relating to waste
 - . entry into pooling and unitization agreements
 - . administration of technical regulations related to safety, environmental protection, resource conservation, and other matters during the exploration, development and production phases
 - . production installation, facility and operation approvals, certification of fitness
 - . oil and gas committee appellate functions
- (e) The Exercise of Emergency Powers (which may be vested in the Chief Executive Officer) Respecting Safety, Spills and Conservation:
 - . orders to prevent waste (excluding waste from flaring of gas or unsound recovery methods)
 - . taking action or directing action to repair, remedy or mitigate the impacts of an oil spill
 - . orders, evidence of financial responsibility, inquiries.

25. Where a fundamental decision is made by the Board, notice of that decision will be transmitted to both governments before the decision becomes final. Both governments will then consider the decision and advise the Board whether its decision may stand and be put into effect or whether either one or both of the governments disagree with the decision.

Fundamental decisions primarily affecting pace and mode of exploration and pace of production are:

(a) Rights Issuance, comprising

- i) the calling for proposals relating to the granting of an interest in lands and the selection of the proponent to whom an interest is to be granted;
- ii) the direct issuance of an interest in lands;
- iii) the determination of the terms and conditions to be contained in an Exploration Agreement;
- iv) the variation of the terms and conditions contained in an Exploration Agreement; and
- v) the continuation of any provisional lease or the variation in the conditions now applying in such lease.

(b) Extraordinary Powers, comprising the issuance of orders:

- i) directing an interest holder to drill a well;
- ii) requiring the commencement, continuation, increase or suspension of production;
- iii) cancelling the rights of an interest holder; and,
- iv) requiring an interest holder to introduce specific measures to prevent waste.

Fundamental decisions primarily affecting the mode of development are:

(c) Approval of the development plan with respect to:

- i) the choice of production system,
- ii) the planned level of recovery of the resource in place,
- iii) the pace and timing of the implementation of the project, and
- iv) any fundamental revision to any of the foregoing.

26. It is the objective of this Accord that consensus be sought and reached between the two governments with respect to fundamental decisions as defined in clause 25. Where agreement cannot be reached between governments on a fundamental decision within thirty days following receipt of the Board's decision, the following shall apply:

- (a) in the national interest, and subject to clause 26(b), the Federal Minister will be responsible for approving a fundamental decision taken by the Board until a period when national self-sufficiency and security of supply are reached, or, having been reached, are lost. Once Canada reaches a period in which self-sufficiency and security of supply are reached, the Provincial Minister will have the power to approve a fundamental decision taken by the Board, subject to the normal exercise of the Government of Canada's authority over exports. The determination of whether self-sufficiency and security of supply, as defined in clause 28, have been reached will be made in the manner set out in clause 27; and
- (b) the Provincial Minister will be responsible for approving fundamental decisions taken by the Board primarily affecting the mode of development as defined in clause 25(c), subject to the Federal Minister's right to override the Provincial Minister's approval or veto if it unreasonably delays the attainment of self-sufficiency and security of supply.

27. In the absence of agreement, the determination of whether self-sufficiency and security of supply as defined in clause 28 have been attained, and whether a decision by the Provincial Minister has caused an unreasonable delay in the attainment of self-sufficiency and security of supply, will be made by a three person arbitration panel as provided for under clause 5 of this Accord. Both governments agree to accept the decision of the arbitration panel as final and binding for the purposes of this Accord.

28. National self-sufficiency is achieved in any calendar year when the volume of suitable crude oil and equivalent substances available from domestic Canadian hydrocarbon productive capacity is adequate to supply the feedstock requirements of Canadian refineries necessary to satisfy the refined product requirements of Canada. Suitable crude oil and equivalent substances are those which are appropriate for processing in Canadian refineries and which are potentially deliverable to Canadian refineries.

Security of supply is realized when the achievement of self-sufficiency as defined above is anticipated in each of the next ensuing five calendar years, giving full consideration to anticipated additions to productive capacity, and anticipated adjustments to refining capacity.

In determining the above requirements, the volumes of crude oils having the quality characteristics required for the production of speciality refined products and which are not available from Canadian sources shall be excluded.

29. To minimize the regulatory uncertainty faced by industry associated with potential shifts in the role of Federal and Provincial Ministers, the determination of self-sufficiency and security of supply will be fixed for periods of five years. Each determination shall be conclusive and binding on the parties. For the first 5-year period, which commences on the proclamation of legislation implementing this Accord, both governments agree that the requirement of self-sufficiency and security of supply has not been met.

30. In the event of a sudden domestic or import supply shortfall, the Board will undertake to increase production, if requested by the federal government, consistent with good oil field practice. In addition, should Canada's obligations under the International Energy Agency (IEA) oil-sharing agreement be triggered, the Federal Minister would, during the period these obligations continue, be able to direct the Board to take such measures as are necessary to comply with Canada's obligations under the IEA and as are fair and equitable in relation to other hydrocarbon producing regions of Canada.

31. The contribution of petroleum resources from the offshore area to the achievement of self-sufficiency and security of supply shall be equitable in relation to the other hydrocarbon producing regions of Canada.

SUSPENSIVE VETOES

32. Where a government exercises its authority under this Accord with respect to a fundamental decision, the other government may delay the execution of that decision for a period of three months in order to give further opportunity to reach consensus.

MINISTERIAL DIRECTIVES

33. a) In the public interest, Ministers may jointly direct the Board in writing concerning:

- (i) fundamental decisions (described in clause 25);
- (ii) the public review process (clause 34);
- (iii) Canada and Newfoundland benefits; and
- (iv) studies and the provision of policy advice.

The Board shall carry such directives into effect.

b) During the first month of each calendar year the Board shall provide to both Ministers a plan outlining the Board's intentions regarding the areas to be made available for exploration and development during that calendar year. If, upon review, it is felt that the proposed plan does not provide for an adequate level of effort towards the achievement of self-sufficiency and security of supply, the appropriate Minister as determined under Clause 26(a) may reject the plan and inform the Board of the reasons for so doing and the Board shall bring forward an alternate plan consistent with these views.

PUBLIC REVIEW

34. In relation to any prospective development, the Board shall conduct a public review. If the Board decides that it is in the public interest, it may waive the holding of a public review, subject to clause 33(a). If a public review is conducted, the Board may:

- (a) establish terms of reference and a timetable that will permit a comprehensive review of the project, including aspects falling within the retained jurisdiction of the Federal and Provincial Governments;
- (b) name a commissioner or panel, and may request both governments to confer upon the commissioner or panel powers of inquiry under the Public Enquiries Act of Newfoundland and Labrador or the Inquiries Act of Canada;
- (c) name to a panel members proposed by the Federal and Provincial Governments, in recognition of their jurisdiction;
- (d) require a project proponent to submit a preliminary development plan, and as needed an environmental impact statement and a socio-economic impact statement, including a preliminary benefits plan; and

- (e) cause the commissioner or panel to hold public hearings in appropriate locations in the province and report to the Board and the relevant Ministers.

Not more than 270 days shall elapse between the receipt of the plan by the Board and its decision with respect to the plan.

PRICING

35. The Government of Newfoundland and Labrador will be a full participant in negotiations and consultations with the Government of Canada from time to time in the same manner as the governments of other producing provinces for the establishment of the price of oil and natural gas in the offshore area.

REVENUE SHARING

36. The principles of revenue sharing between Canada and Newfoundland with respect to revenues from petroleum-related activities in the offshore area shall be the same as those which exist between the Government of Canada and other hydrocarbon producing provinces with respect to revenues from petroleum-related activities on land. The federal legislation implementing the Accord, therefore, will permit the Government of Newfoundland and Labrador to establish and collect resource revenues and provincial taxes of general application as if these petroleum-related activities were on land within the province, through incorporation by reference of Newfoundland laws (as amended from time to time), or through other appropriate legislative mechanisms.

37. On the basis of the foregoing, Newfoundland shall receive the proceeds of the following revenues from petroleum related activity in the offshore area:

- (a) royalties;
- (b) a corporate income tax which is the same as the generally prevailing provincial corporate income tax in the province;
- (c) a sales tax that is the same as the generally prevailing provincial sales tax in the province;
- (d) any bonus payments;
- (e) rentals and licence fees; and
- (f) other forms of resource revenue and provincial taxes of general application, consistent with the spirit of this Accord, as may be established from time to time.

38. The Board shall collect royalties, bonus payments, rentals and licence fees. These revenues and other offshore revenues referred to in clause 37 shall be remitted to the Government of Newfoundland and Labrador.

EQUALIZATION OFFSET PAYMENTS

39. The two governments recognize that there should not be a dollar for dollar loss of equalization payments as a result of offshore revenues flowing to the Province. To achieve this, the Government of Canada shall establish equalization offset payments. These payments shall commence on April 1 of the first fiscal year following the attainment of cumulative production of fifteen million barrels of offshore production of oil or the energy equivalent production of natural gas and shall be in two parts.

Offset payments (Part I) will be made equivalent to the loss in fiscal equalization payments resulting from any future changes to the floor provisions of the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, as amended 1982, with respect to the phaseout of equalization entitlements, if the changes are detrimental to Newfoundland. These Part I offset payments will apply for a period of twelve years from commencement of production.

In addition, the Government of Canada will make offset payments (Part II) equivalent to 90 per cent of any decrease in the fiscal equalization payment to Newfoundland in respect of a fiscal year in comparison with the payment for the immediately preceding fiscal year, as calculated under the prevailing Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, as amended from time to time and, taking into account for both years, the offset component entitlement under Part I.

Beginning in the fifth fiscal year of offshore production, this offset rate shall be reduced by ten percentage points and by ten percentage points in each subsequent year.

CROWN SHARE

40. The costs and benefits of any Crown share in the offshore area which may be retained by the Government of Canada will be established by the Canada/Newfoundland Atlantic Accord Implementation Act. The costs and benefits thereof will be shared equitably by both governments.

CROWN CORPORATIONS

41. Crown corporations and agencies involved in oil and gas resource activities in the offshore area shall be subject to all taxes, royalties and levies.

DEVELOPMENT FUND

42. The Government of Canada and the Government of Newfoundland and Labrador hereby establish an Offshore Development Fund. The purposes of this Fund are to defray the social and economic infrastructure costs related to the development of oil and gas in the offshore area in the period before production begins, and to ensure that the provincial economy is well positioned to reap the economic benefits of offshore development. This Fund shall be in addition to the funding provided by the Government of Canada for regional development and other similar initiatives in Newfoundland.

The Fund will consist of a \$300 million grant, cost shared 75 per cent federal and 25 per cent provincial. Contributions to the Fund will be made over a five year period commencing April 1, 1985 on a schedule to be agreed by Ministers on the basis of project requirements.

43. A Development Fund Committee comprised of two representatives from each of the Federal and Provincial Governments shall be established to monitor and review the implementation of this Fund.

44. Both Ministers may propose projects, normally falling within provincial jurisdiction, for funding. Expenditures will be made by mutual consent.

OIL POLLUTION AND FISHERIES COMPENSATION REGIME

45. The legislation implementing the Accord will establish an oil pollution compensation regime with respect to absolute liability for oil spill damages and debris, requiring appropriate financial security. Together with the relevant provisions of the Canada Shipping Act that establish the Maritimes Pollution Claims Fund, or its successors, and any industry-sponsored programs for non-attributable damages, this shall be accepted as the basis of an oil spill damage compensation regime that recognizes the various causes and sources of pollution damage.

46. This regime shall include provisions to compensate fishermen with respect to absolute liability for attributable oil spill and debris-related damages. The Board shall also promote and monitor industry-sponsored fishermen's compensation policies for damages of a non-attributable nature.

47. A committee consisting of representatives from the Government of Canada, the Government of Newfoundland and Labrador, the petroleum industry, and the fishery industry will review and monitor these provisions.

MANAGEMENT OFFICES

48. The Board shall seek to ensure that all companies which operate in the offshore area establish offices in the province with appropriate levels of decision-making. In this spirit, the Government of Canada shall ensure, where possible, that Petro-Canada maintains an office in the province with responsibility for its operations in the offshore area.

49. The Government of Canada shall establish in the province, where possible, regional offices with appropriate levels of decision-making for all departments directly involved in activities relating to the offshore area.

ECONOMIC GROWTH AND DEVELOPMENT

50. It is the objective of both governments to ensure that the offshore area is managed in a manner which will promote economic growth and development in order to optimize benefits accruing to Newfoundland in particular and to Canada as a whole.

51. The legislation implementing the Accord shall provide that before the start of any work program for exploration or field development, a plan must be submitted satisfactory to the Board for the employment of Canadians and, in particular, members of the provincial labour force and for providing manufacturers, consultants, contractors and service companies in Newfoundland and other parts of Canada with a full and fair opportunity to participate in the supply of goods and services used in that work or activity.

In its review of Canada and Newfoundland benefits plans, the Board shall seek to ensure that first consideration is given to services provided from within Newfoundland, and to goods manufactured in Newfoundland, where such goods and services are competitive in terms of fair market price, quality, and delivery.

The Board shall also require that any such plans include particular provisions, consistent with the Canadian Charter of Rights and Freedoms, to ensure that individuals resident in Newfoundland are given first consideration for training and employment opportunities in the work program for which the plan was submitted.

52. Plans submitted to the Board, for the use of goods and services and for employment, including plans for any specified purchases, shall be reviewed by the Board in consultation with both governments which shall advise the Board on the extent to which they provide for full, fair and competitive access. Both governments will attempt to provide a common view to the Board, but where this is not possible, the decision on employment and procurement plans approval shall rest with the Board. The Board shall have the authority to approve such plans subject to the power of joint ministerial direction set out in clause 33.

53. The appropriate Federal and Provincial Ministers shall conclude a Memorandum of Understanding regarding the coordination of industrial and employment benefits by the Board and with respect to the industrial and employment benefits review and evaluation procedures to be followed by both governments and the Board.

REGIONAL SECURITY OF SUPPLY

54. Hydrocarbons produced from the offshore area will be made available to Newfoundland and Labrador on commercial terms to meet both total end use consumption and the feedstock requirements of industrial facilities in place on the day that legislation implementing this Accord is proclaimed. Similarly, feedstock availability shall be ensured, on commercial terms, for new industrial facilities in Newfoundland and Labrador, provided such feedstock is excess to feedstock required to meet the demand of presently existing industrial capacity in eastern Canada.

RESEARCH AND DEVELOPMENT AND EDUCATION AND TRAINING

55. Benefits plans submitted pursuant to clause 51 shall provide for expenditures to be made on research and development, and education and training, to be conducted within the province. Expenditures made by companies active in the offshore pursuant to this requirement shall be approved by the Board.

ENVIRONMENTAL STUDIES REVOLVING FUND

56. The Environmental Studies Revolving Fund (ESRF) will continue to be considered a national program with a central administration. One Newfoundland member of the Board will be appointed to the ESRF Advisory Board. In addition, the ESRF annual budget will be reviewed by the Board, and the application of related levies in the Newfoundland offshore shall be subject to Board approval.

LEGISLATION

57. Each government shall, within one year of the signing of this Accord, introduce the legislation necessary to implement the Accord and support it as a government measure.

58. The legislation implementing the Accord shall replace and supersede the federal Canada Oil and Gas Act and the Oil and Gas Production and Conservation Act and the provincial Petroleum and Natural Gas Act as it applies in the offshore area. All other federal and provincial legislation which is presently applicable to the management of the oil and gas resources in the offshore area will continue to apply.

59. Notwithstanding clause 58, to the extent that the provisions of the Canada Oil and Gas Act and the Oil and Gas Production and Conservation Act and Regulations are consistent with this Accord, they will be retained in the legislation and regulations implementing the Accord.

60. Except by mutual consent, neither government will introduce amendments to the legislation or regulations implementing the Accord.

61. The Government of Canada will introduce in Parliament legislation to extend federal laws to apply to activities in the offshore, and apply appropriate provincial laws, including social legislation such as occupational health and safety legislation and other legislation designed to protect workers.

62. Federal courts shall be invested with jurisdiction in the offshore area in respect of any matter to the same extent as if the matter had arisen within their ordinary jurisdiction. Provincial courts shall be invested with jurisdiction in the offshore region in respect of any matter arising under the laws made applicable by Parliament to the offshore region to the same extent as if the matter had arisen within their ordinary territorial jurisdiction. For the purpose of this paragraph, the offshore region shall be deemed to be within the territorial limits of the judicial centre of St. John's as defined in the District Court Act, 1977.

COORDINATION

63. The Board shall conclude Memoranda of Understanding with the government departments and agencies having continuing responsibilities in the offshore area for environmental and safety regulation and for emergency measures with a view to ensuring effective coordination and minimum duplication.

CONSTITUTIONAL ENTRENCHMENT

64. The Government of Canada agrees that should the Government of Newfoundland and Labrador achieve the requisite support among the other provinces for the constitutional entrenchment of the Accord that it would introduce a mutually agreeable resolution into Parliament.

TRANSITIONAL

65. Pending the enactment of legislation implementing the Accord, the Government of Canada and the Government of Newfoundland and Labrador agree to take all possible steps to set up the Board and administer existing legislation within the spirit of this Accord.

66. Subject to clause 36, interests created before the proclamation of the legislation implementing the Accord shall continue and shall be administered by the Board in accordance with the legislation.

OTHER MINERALS

67. In the event that exploration, production and development of minerals other than petroleum in the offshore area become feasible in the future, the two governments agree to enter into discussions regarding their exploration, development and production.

AREA COVERED BY ACCORD

68. The area covered by this Accord is that area below the low water mark lying off the coast of Newfoundland and Labrador out to the outer edge of the continental margin, coming within Canada's jurisdiction being north and east and south of the appropriate lines of demarcation between Newfoundland, the adjacent provinces, and the Northwest Territories.

Dated at St. John's this 11th day of February, 1985.

For the Government of Canada

For the Government of
Newfoundland and Labrador

Brian Mulroney
Prime Minister of Canada

A. Brian Peckford
Premier of Newfoundland and
Labrador and Minister for
Intergovernmental Affairs

Pat Carney
Minister of Energy, Mines
and Resources

William W. Marshall
President of the Executive
Council and Minister Responsible
for Energy

John C. Crosbie
Minister of Justice
and Attorney General
of Canada

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February 11, 1985

FEDERAL, NEWFOUNDLAND GOVERNMENTS SIGN
THE ATLANTIC ACCORD

ST. JOHN'S — Prime Minister Brian Mulroney and Premier Brian Peckford today signed the Atlantic Accord, a long-term agreement on the joint management of offshore oil and gas development which implements the agreement-in-principle reached between the two leaders in June 1984.

The Accord was also signed by federal Energy Minister Pat Carney, her Newfoundland counterpart, William Marshall and federal Justice Minister John Crosbie.

The agreement establishes the Canada-Newfoundland Offshore Petroleum Board, which will administer all aspects of offshore exploration and development. It also creates a \$300 million Canada-Newfoundland Development Fund that will be used by the province to build the necessary infrastructure needed for petroleum development.

"Eight months ago, as the leader of the Opposition, I told the people of Newfoundland and Labrador that a Progressive Conservative government would be prepared to conclude an early agreement on the offshore with the provincial government," Mr. Mulroney said. "We have done that. We have concluded an agreement that makes the province a full and equal partner in its own offshore development."

Mr. Peckford said: "This is an historic day for the people of Newfoundland and Labrador. At last, we in Newfoundland will be treated as an equal partner in offshore development and will be in a position to establish and collect revenues in the same way as other oil and gas producing provinces of Canada."

Mr. Peckford noted that the \$300 million development fund, which will be three-quarters funded by a grant from the federal government, will be used to create economic activity by building roads, supply bases, and training and manufacturing facilities needed for offshore development.

"The creation of this fund will bring immediate benefits to all areas of the province and jobs for Newfoundlanders now out of work," he said.

Miss Carney said the agreement means the way has been cleared for the petroleum industry to develop the offshore.

"By creating a strong, independent, offshore petroleum board, with equal representation chosen by both governments, and an impartial chairman, we've offered the industry exactly what they want and need — stability, continuity and predictability. It's now up to them to get on with their work."

Mr. Marshall said the federal and provincial governments — as equal partners — can now work quickly towards the day when oil production can begin on the offshore.

"We now have an equal place at the decision-making table," Mr. Marshall said. "That means that the approvals of key decisions on matters relating to the mode of development at Hibernia are ours to make, to the benefit of Newfoundlanders and Canadians."

Mr. Crosbie, Member of Parliament for St. John's West and Newfoundland's representative in the federal cabinet, also hailed the agreement.

"We will do our best to see that the legislation required to implement this Accord will be introduced in Parliament as soon as possible," he said. "In the meantime, both governments will live by the spirit of this Accord and work can begin on the creation of the joint board, and other provisions."

Under the terms of the Accord, the offshore board will consist of three members appointed by each government, and an independent chairperson. It will assume the responsibilities for offshore management and regulation currently exercised by the Canada Oil and Gas Lands Administration (COGLA) and the Newfoundland and Labrador Petroleum Directorate (NLPD).

The Accord establishes the principle that revenue-sharing between the two governments shall be on the same basis as between Canada and other oil and gas producing provinces. This means that Newfoundland will be able to establish and collect royalties and other provincial-type resource revenues and taxes as if these resources were on land.

It also provides for payments to the provincial government to compensate for equalization payments lost as a result of future resource revenues flowing to the province.

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EXECUTIVE SUMMARYTHE ATLANTIC ACCORDMEMORANDUM OF AGREEMENT BETWEEN THE GOVERNMENT OF CANADA AND
THE GOVERNMENT OF NEWFOUNDLAND AND LABRADOR ON OFFSHORE OIL
AND GAS RESOURCE MANAGEMENT AND REVENUE SHARINGINTRODUCTION

On June 14, 1984, Mr. Brian Mulroney (Leader of the Opposition) and Premier Brian Peckford signed an Agreement-in-Principle on resource management and revenue sharing for offshore Newfoundland and Labrador. That document set out the principles of joint management and revenue sharing associated with offshore oil and gas resources which would be implemented by a Progressive Conservative government.

Today, those principles were confirmed in a sixty-eight clause Atlantic Accord signed by Prime Minister Mulroney and Premier Peckford. The accord gives the Province final approval over decisions relating to the choice of mode of development and the right to establish and collect resource revenues as if the resources were on land. A scheme of equalization offset payments was also included. Until national oil self-sufficiency is achieved, the Government of Canada has final approval over decisions on the pace and mode of exploration and the pace of development.

PURPOSES OF THE ACCORD

The cooperative regime for offshore resource management is intended to achieve a number of objectives:

- increased energy security and economic prosperity;
- ensure that development optimizes the social and economic benefits to Canada, particularly Newfoundland and Labrador;
- Canadian jobs and industry participation on a fair and competitive basis, particularly for Newfoundland and Labrador;
- provide for revenue sharing on the same basis as if these resources were on land;
- provide for a stable and fair regime for industry;
- provide for a stable and permanent management regime recognizing the equality of both governments in management of the resource;
- rigorous protection of the environment and fishing industry;
- improved safety of offshore work.

RESOURCE MANAGEMENT REGIME

Canada-Newfoundland Offshore Petroleum Board

The principle of joint management will be achieved by the creation of a strong independent Board. The Board will be empowered to make decisions on all matters related to the management of offshore oil and gas resources. The Board will assume the functions and operations of Canada Oil and Gas Lands Administration (COGLA) and the Newfoundland and Labrador Petroleum Directorate (NLPD) for the Newfoundland and Labrador offshore areas.

The Board will be comprised of three members appointed by the Government of Canada and three members appointed by the Government of Newfoundland and Labrador and a Chairman.

The Chairman of the Board will be appointed jointly by both governments. Members of the Board will not be public servants of Canada or Newfoundland.

The Board will be responsible for:

- the declaration of discoveries;
- the granting of production licences;
- regulating good oilfield practice;
- emergency powers (which may be vested in the Board's Chief Executive Officer);
- rights issuance;
- development plan approvals;
- collecting royalties; and
- making recommendations with respect to proposed amendments to the legislation and regulations under the Accord.

To ensure that the Board remains responsive to both Governments, the Accord provides for joint policy direction on certain key issues such as industrial and employment benefits, public reviews and decisions affecting the pace and mode of exploration and development.

In addition, certain fundamental decisions of the Board will be subject to review by both governments. In the event that the two governments fail to reach a consensus on a Board decision, the responsibility of approval will rest with one of the two Ministers.

With respect to decisions related to the pace and mode of exploration and the pace of production, the responsibility for approval will rest with the federal government when Canada has not attained or has lost self-sufficiency and security of supply. In periods when these conditions are achieved, approval will rest with the provincial government.

With respect to decisions relating to the mode of development, responsibility will rest with the Government of Newfoundland and Labrador, providing that such decisions do not unreasonably delay the attainment of self-sufficiency and security of supply.

LEGISLATIVE FRAMEWORK

Each government will within one year of the signing of the Accord introduce implementing legislation. To ensure continuity and stability for industry, the legislation will retain the provisions of existing federal legislation (Canada Oil and Gas Act and Oil and Gas Production and Conservation Act), and any regulations, insofar as they are consistent with the Accord.

REVENUE SHARING

The principles of revenue-sharing between Canada and Newfoundland will be the same as those between Canada and those provinces with petroleum-related activities on land. The Accord provides for legislative measures to enable the Government of Newfoundland and Labrador to establish and collect royalties and other provincial-type resource revenues and taxes of general application. Newfoundland will receive the proceeds of the following revenues:

- royalties;
- provincial corporate income tax;
- sales tax;
- bonus payments;
- rentals and fees; and
- other forms of provincial-type revenue and taxes as may be established.

CANADA-NEWFOUNDLAND OFFSHORE DEVELOPMENT FUND

A joint offshore Development Fund of \$300 million, to be grant-financed by the two governments in a ratio of 75 per cent federal, 25 per cent provincial, will be established to enable the province to develop the necessary infrastructure to meet the demands of oil and gas development and to ensure the province can reap the economic benefits of offshore development. Contributions to the fund will be made over a five-year period on the basis of project requirements.

EQUALIZATION OFFSET PAYMENTS

An equalization offset payment formula has been developed which will ensure that there will not be a dollar-for-dollar loss of equalization payments as a result of offshore revenues.

Beginning in the first year of production Newfoundland will receive offset payments from the Federal Government equal to 90 per cent of a year's reduction in equalization payments. Beginning in the fifth year of production, the offset rate will be reduced by 10 per cent for each subsequent year.

The equalization offset provisions of the Accord also protect Newfoundland from any future changes to the floor provisions of the Federal-Provincial Fiscal Arrangements Act, which may result in a reduction of equalization entitlements to the Province.

PUBLIC REVIEW PROCESS

Subject to directives from the Ministers, the Board will be responsible for determining the need for and the conducting of a public review of any prospective development. When public reviews are required the Board may:

- establish terms of reference and a timetable for the review;
- appoint a commissioner or panel;
- require a project proponent to submit a preliminary development plan, and environmental and socio-economic impact statements, including a preliminary benefits plan.

Not more than 270 days will elapse between the receipt of the plan by the Board and its decision with respect to the plan.

OIL POLLUTION AND FISHERIES COMPENSATION REGIME

An oil pollution compensation regime with respect to absolute liability for oil spill damages and debris, requiring financial security will be established.

The regime will include provisions to compensate fishermen with respect to absolute liability for oil spill and debris-related damages. The Board will also promote and monitor industry-sponsored fishermen's compensation policies for damages of a non-attributable nature.

A committee with representatives from both governments, the petroleum industry and the fishery industry will review and monitor these provisions.

RESEARCH AND DEVELOPMENT AND EDUCATION AND TRAINING

Benefit plans submitted to the Board by companies active in the offshore will provide for expenditures to be made on research and development, and education and training.

CONSTITUTIONAL ENTRENCHMENT

Should the Government of Newfoundland and Labrador achieve the requisite support among the other provinces, the Government of Canada will introduce a mutually agreeable resolution into Parliament.

BACKGROUND
NEWFOUNDLAND AND LABRADOR OFFSHORE ACTIVITY

Exploration for oil and gas in the Newfoundland and Labrador offshore region began in 1964 and in 1979 the first major oil discovery was made at Hibernia P-15. The Hibernia field is located 165 nautical miles (306 kilometers) east-southeast offshore St. John's. Hibernia P-15, the 42nd well drilled on the Grand Banks, had a calculated flow rate of 20,000 barrels of high quality oil per day, the most prolific oil well in Canada at that time.

Since the Hibernia discovery, 17 new wildcat wells have been drilled on the Grand Banks, nine of which have resulted in significant discoveries.

A total of forty-five exploration agreements are in effect in the Newfoundland and Labrador region covering a total area of 26 million hectares. These exploration agreements include commitments to drill a total of 53 wells and represent a total program value of \$2.8 billion for the period 1982-90.

Part of the reason for this activity is that the sedimentary belt covering 80 per cent of the area offshore the province is of the same type that contains 86 per cent of the world's known oil and 71 per cent of the world's known gas. Though only slightly more than 100 wells have been drilled in this offshore belt a number of significant discoveries have been made.

In 1984, offshore activity resulted in four discoveries:

- a) Oil at Terra Nova K-08 (Petro-Canada).
- b) Gas and oil at South Mara C-13 (Mobil et al).
- c) Gas and oil at Whiterose N-22 (Husky-Bow Valley).
- d) Gas and condensate at Trave ES-7 (Husky-Bow Valley).

In January, 1985, a fifth discovery was made at Beothuk M-05 (Canterra PCI et al).

Nine rigs operated offshore Newfoundland and Labrador in 1984 for four operators: Mobil, Petro-Canada, Husky-Bow Valley and Canterra. Six helicopters and 19 supply vessels were also under charter in 1984. Currently, five rigs are contracted for work on the Grand Banks: John Shaw, Bow Drill I, II and III and the Vinland.

From the Office of the Minister

85/18(c)

THE ATLANTIC ACCORD
STATEMENT BY THE HONOURABLE PAT CARNEY
MINISTER OF ENERGY, MINES AND RESOURCES

Thank you Prime Minister, Mr. Premier:

As you both have said, this is indeed a great day for Newfoundland, and for Canada. This Accord has been a source of special satisfaction for me, especially since I began discussions with the Newfoundland government nearly a year ago when we were still in opposition. Those discussions have led to the signing today of this agreement.

Over these many months, it has been a pleasure working with Bill Marshall. It was not always smooth sailing, but when we encountered problems, we resolved them. At times we held different views. But we strove to accommodate them. We worked on the basis of trust and a deep sense of shared interest. In the process I came to have great admiration for Mr. Marshall and his team. I look forward to working with you, Bill, on the challenge of bringing resources like Hibernia on stream.

The Atlantic Accord is designed to facilitate the development of the vast oil and gas resources in the offshore. It is based on three fundamental concepts. The first is that the principal beneficiary of these resources should be Newfoundland and Labrador because that is in the national interest. The second concept is that these resources should contribute to energy security for all Canadians, because that, too, is in the national interest. The third and final concept is that producing provinces should be treated equally, in areas such as revenue sharing, whether the resource is on land or offshore, because equality serves the national interest.

But there is another reason why the accord is a milestone in our country's history. It recognizes that Canadians in all regions of Canada can identify and contribute toward the national interest. That vital objective is not the sole prerogative of the federal government. Canadians from Cornerbrook, Newfoundland to Carcross, Yukon are just as committed to national goals and objectives as politicians in Ottawa.

That is why a federal minister from British Columbia and a provincial minister from Newfoundland could negotiate an accord which addresses energy security for all Canadians as well as regional benefits for Newfoundland and Labrador.

As the Prime Minister said, this agreement is just the beginning of things to come. First and foremost, it means economic activity — and jobs. Through the development fund we've created, it means the Province will be able to start building the necessary facilities needed for offshore development. It means new education and training centres for Newfoundlanders wishing to participate in the benefits of offshore activity.

For the petroleum industry, this Accord means we have cleared the way for the development of the offshore. By creating a strong, independent, offshore petroleum board, with equal representation chosen by both governments and an impartial chairman, we've offered the industry exactly what they want and need — stability, continuity and predictability. It's now up to them to get on with their work.

As the federal minister responsible for energy, I am excited about the development of the Newfoundland offshore, but I am just as thrilled that this Accord captures a spirit of federal-provincial cooperation that can only enrich both Newfoundland and all of Canada.

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ADDRESS
BY
THE HONOURABLE A. BRIAN PECKFORD, P.C., M.H.A.
PREMIER OF NEWFOUNDLAND AND LABRADOR
ON THE OCCASION OF
THE OFFICIAL SIGNING OF
THE CANADA-NEWFOUNDLAND OFFSHORE AGREEMENT

St. John's
February 11, 1985

It was 50 years, 11 months, and 25 days ago that Newfoundland faced its darkest hour when on this very spot, in the ballroom of the Hotel Newfoundland, the Commission of Government was sworn in – February 16th, 1934. At this moment, February 11th, 1985, Newfoundland faces one of its brightest hours in the signing of this Offshore Agreement.

History is being made today. Over the last 400 years many events have marked the various steps of our evolution as a society. Until 1832 we had remained a strictly colonial society forging an existence from the rocky shores and stormy waters of the Atlantic. With responsible government in the 1850's, we had achieved a democratic self government. Tragically these momentous occasions, important as they were, did not provide this place with the levers necessary to develop a truly vibrant and dynamic society.

International treaties and being a storehouse for England, factors over which we had no control, had already predetermined that our huge fishery resource would not develop in a manner that would increase substantially our well being. Our birth, then, as a society having the power and levers to develop did not occur. Rather we came into the world already constrained, in our ability to affect meaningful development or achieve the progress necessary for growth and prosperity.

The great railway project of the late 19th century and early 20th century found us by our own hand conceding to other major powers over our land and resources. With increasing rapidity, this manner of development accelerated as we entered the 20th century culminating in Grand Falls and Corner Brook pulp and paper projects – where large tracts of valuable forestry resource and water power were made in huge concessions to others outside our country.

This reckless policy of development at any cost continued unabated throughout the 1920's and 1930's, maintaining our dependency status until 1949, when, through a negotiated Terms of Union, we joined Canada. Unfortunately, through these Terms of Union, control over our fishery was passed to others, and the Terms remained silent on potential offshore mineral resources. The lucrative social benefits of the Union poured across the Cabot Strait in bountiful supply. Simultaneously, even larger industrial deals were being finalized repeating the same "concession prone" projects of the past, the Upper Churchill being one of the most glaring examples.

We find ourselves this day having a per capita earned income of approximately half the national average, a horrendous tax burden, an unacceptable debt load and a stragglng unemployment rate of 23%.

During the last decade or so, the promise of offshore petroleum resources began to loom on the horizon and to offer a hope for the future. Could we now in the latter half of this century, change the pattern of our development or would we once again repeat the mistakes of our history? As I stated in the introduction to my book "The Past In The Present":

"Not much has really changed. The essential elements are still present. We are today facing choices that are similar to those that have been faced many times in our history. The central question is whether we will be "true to our history" and once again barter away our future; or whether we can translate into self-confidence a pride that is now emerging at certain levels of our psyche, but which we are still hesitant to express".

Today marks a watershed in the development of Newfoundland. It signals a dramatic turning point in the economic history of this place. The document being signed here today on offshore mineral resources is tangible evidence of that fact. It stands in stark contrast to what has gone on before and ambitiously launches this province on a pathway of development that can only lead to better times. There is no other document in existence signed by Newfoundland that has within it the ability to see this province truly grow and prosper. There is no other document in existence that so clearly establishes Newfoundland's right to have a significant say and control over such a huge resource.

The last several years have been difficult for Newfoundlanders in all aspects of our lives. But none has been so difficult for me as this offshore issue. I can reflect back to the early days of Cabot Martin and Steve Milan, when the provincial regulations were being formulated and negotiated with the oil companies, to the preparation of the court case, its presentation to the courts, our eventual defeat before the courts, to the arrogant and uncaring method by which the former federal government entered into a series of so-called negotiations — when verbal rather than written proposals were the order of the day. These nebulous and vague verbal gymnastics led to deliberate confusion and ambiguity. Never would the previous federal government entertain joint management — never would they entertain providing the province with the right to establish and collect revenues as if the resource was on land. Let the record be clear — let history record the truth.

There were those here in this province in the dying months of the previous federal government who thought we had gone too far — that we should sign what was being offered — that especially Mr. Marshall and myself were being stubborn and confrontational. There were those who tried to steer public opinion away from the big issues at stake and demean the process and all it would mean for Newfoundland. Fortunately, there were still those who, amid the noise and din of "sign right away" and the accusation of "confrontation", called for us to remain firm and hold out. The vast majority of these people were the average Newfoundlander, many of whom were unemployed or who, if employed, were not doing that well. To them I owe a great debt.

Ladies and Gentlemen, this Agreement has sixty-eight provisions, all of which are extremely important, though to me a number stand out.

1. A joint management Board of equal representation from both governments will manage offshore activity and Newfoundland has preference over the mode of development.
2. Newfoundland has the right to establish and collect revenues as if the resource was on land.
3. There will not be a dollar for dollar loss of equalization payments as a result of offshore revenues. There will be a very gradual and generous (for Newfoundland) phase out of equalization payments which allows this province to catch up socially and economically to the rest of Canada.
4. The Agreement will be enacted into the law of Canada and into the law of Newfoundland within 12 months.
5. The laws and regulations pertaining to the agreement cannot be changed without mutual consent.

6. The Government of Canada agrees to put the Agreement into the Constitution of Canada if the required number of provinces agree.
7. Newfoundland's social legislation will apply.
8. The Agreement covers the petroleum resources of the whole continental margin, approximately 700,000 square miles.
9. Preference will be given for local labour and local goods and services.
10. Research and development and education and training provisions for Newfoundland will be a part of development plans submitted by companies.
11. A development fund of \$300 million will be established immediately.
12. The offices of the Management Board will be in Newfoundland, relevant federal government departments will establish offices in Newfoundland, and all geophysical, geochemical and geological information will henceforth be located in Newfoundland.

May I thank the Honourable William Marshall for his extraordinary ability and his unstinting courage and perseverance. To the loyal and competent Newfoundlanders of the negotiating team — Mr. Cyril Abery, Mr. Cabot Martin, Mr. Ron Penney, Mr. David Norris, Mr. David Vardy, Mr. John Fitzgerald and Ms. Barbara Knight, I thank you on behalf of all Newfoundlanders.

Mr. Prime Minister, we are deeply grateful for your vision and commitment to a true Confederation, where there is room for sharing of powers in the development of our resources. When, Mr. Prime Minister, we signed our Accord last year, there were many who said very clearly "O.K., but he is only Leader of the Opposition and it's just a promise — we'll wait to see an Agreement when he becomes Prime Minister." Well Sir, today, four months after assuming office, you have kept your promise. Let the word go across this nation that when Brian Mulroney gives his word, he keeps it.

May I personally thank the Honourable Pat Carney for her understanding and her decisiveness.

The Honourable John Crosbie has always been a strong and active supporter of Newfoundland's interest — especially the offshore. On behalf of all Newfoundlanders, I thank him most sincerely. I also want to thank the Honourable James McGrath, Captain Morrissey Johnson and Mr. Joe Price for their support and assistance.

Ladies and Gentlemen, may I also say that this whole Agreement has been accomplished recognizing our role in Confederation and our commitment to national self-sufficiency for Canada. Additionally, it provides a stable regime within which industry can work to see this valuable resource developed for us all.

This is an Agreement that will be of enormous benefits to all Newfoundlanders — from Nain, to Lascie, to Branch, to Lamaline, to François, to Cape Ray, to Cape St. George, to Cape Onion, to Lanse au Clair.

Let us now dedicate ourselves to a wise and enlightened effort to implement this agreement in a manner that will see its objectives fully and completely realized. As history has shown with our onland resources — it is not just enough to have control and power, it will require a supreme effort by us all to ensure a prudent and enlightened use of this power.

It is in the spirit of optimism for a more prosperous Newfoundland, helping ourselves and helping Canada, that I proudly affix my signature to this historic document.



House of Commons
Chambre des communes
CANADA

NOTICE OF MOTION AVIS DE MOTION

WAYS AND MEANS VOIES ET MOYENS

Tuesday, February 4, 1986
Le mardi 4 février 1986

Notice of Ways and Means Motion With
Respect to the Imposition of Taxes in
the Newfoundland Offshore Area and to
Amend the Income Tax Act

Avis de motion des voies et moyens visant la
levée d'impôts dans la zone extracôtière
de Terre-Neuve et la modification de la
Loi de l'impôt sur le revenu

That it is expedient to introduce a measure
to impose taxes in the Newfoundland off-
shore area and to amend the Income Tax Act
as follows:

Qu'il y a lieu de présenter un projet de loi
afin de prévoir la levée d'impôts dans la zone
extracôtière de Terre-Neuve et de modifier
la Loi de l'impôt sur le revenu :

PART I

PARTIE I

IMPOSITION OF TAXES IN THE
NEWFOUNDLAND OFFSHORE AREA

LEVÉE D'IMPÔTS DANS LA ZONE
EXTRACÔTIÈRE DE TERRE-NEUVE

Interpretation

Définitions

Definitions

“Atlantic
Accord”
«*Accord
atlantique*»

“Newfoundland
Consumption
Tax Acts”
«*lois sur
l'impôt
indirect*»

“Newfoundland
Income Tax
Act”
«*loi sur l'impôt
direct*»

1. In this Part,

“Atlantic Accord” means the Memorandum
of Agreement between the Government of
Canada and the Government of the Prov-
ince on offshore petroleum resource man-
agement and revenue sharing dated Febru- 10
ary 11, 1985, and includes any
amendments thereto;

“Newfoundland Consumption Tax Acts”
means *The Retail Sales Tax Act, 1978*,
Chapter 36 of the Statutes of Newfound- 15
land, 1978, as amended from time to time,
The Gasoline Tax Act, 1978, Chapter 39
of the Statutes of Newfoundland, 1978, as
amended from time to time, *The Tobacco
Tax Act, 1978*, Chapter 38 of the Statutes 20
of Newfoundland, 1978, as amended from
time to time and *The Insurance Premiums
Tax Act, 1978*, Chapter 40 of the Statutes
of Newfoundland, 1978, as amended from
time to time and any other Act of the 25
Legislature of the Province, as amended
from time to time, as may be prescribed;

“Newfoundland Income Tax Act” means
The Income Tax Act, Chapter 163 of the

5 1. Les définitions qui suivent s'appliquent 5 Définitions
à la présente partie.

«*Accord atlantique*» Le protocole d'entente
du 11 février 1985 entre les gouvernements
fédéral et provincial sur la gestion des
ressources en hydrocarbures extracôtiers et 10
sur le partage des recettes correspondan-
tes, y compris les modifications apportées
au protocole.

«*loi sur l'impôt direct*» La loi intitulée *The
Income Tax Act*, chapitre 163 des lois 15
intitulées *Revised Statutes of Newfound-
land 1970*, dans sa version modifiée.

«*lois sur l'impôt indirect*» Les lois, dans leur
version modifiée, intitulées *The Retail
Sales Tax Act, 1978*, chapitre 36 des lois 20
intitulées *Statutes of Newfoundland,
1978*, *The Gasoline Tax Act, 1978*, chapi-
tre 39 des lois intitulées *Statutes of New-
foundland, 1978*, *The Tobacco Tax Act,
1978*, chapitre 38 des lois intitulées *Statu- 25
tes of Newfoundland, 1978* et *The Insu-
rance Premiums Tax Act, 1978*, chapitre
40 des lois intitulées *Statutes of New-
foundland, 1978* et telle autre loi de la
législature provinciale.

«*Accord
atlantique*»
“*Atlantic
Accord*”

«*loi sur l'impôt
direct*»
“*Newfoundland
Income Tax
Act*”

«*lois sur l'impôt
indirect*»
“*Newfoundland
Consumption
Tax Acts*”

	Revised Statutes of Newfoundland, 1970, as amended from time to time;	«loi sur l'imposition des compagnies d'assurances» La loi, dans sa version modifiée, intitulée <i>The Insurance Companies Tax Act</i> , chapitre 177 des lois intitulées <i>Revised Statutes of Newfoundland</i> de 1970.	«loi sur l'imposition des compagnies d'assurances» «Newfoundland Insurance Companies Tax Act»
«Newfoundland Insurance Companies Tax Act» «loi sur l'imposition des compagnies d'assurances»	«Newfoundland Insurance Companies Tax Act» means <i>The Insurance Companies Tax Act</i> , Chapter 177 of the Revised Statutes of Newfoundland, 1970, as amended from time to time;	5	5 «Newfoundland Insurance Companies Tax Act»
«offshore area» «zone extracôtière» ou «zone»	«offshore area» means those submarine areas lying seaward of the low water mark of the Province and extending, at any location, as far as (a) any prescribed line, or (b) where no line is prescribed at that location, the outer edge of the continental margin or a distance of two hundred nautical miles from the baselines from which the breadth of the territorial sea of Canada is measured, whichever is the greater;	10	10 «ministre provincial» Le ministre provincial chargé par le lieutenant-gouverneur en conseil sous le régime de la loi intitulée <i>The Canada-Newfoundland Atlantic Accord Implementation (Newfoundland) Act</i> de l'application de celle-ci ou de telle de ses dispositions.
		«province» Terre-Neuve.	«ministre provincial» «Provincial Minister»
		«règlement» Texte d'application pris par le gouverneur en conseil.	15 «provinces» «Province»
		«zone extracôtière» Les zones sous-marines qui s'étendent au-delà de la laisse de basse mer de la province jusqu'aux limites fixées par règlement ou, en l'absence de tel règlement, jusqu'au rebord externe de la marge continentale, ou jusqu'à deux cents milles marins des lignes de base à partir desquelles est mesurée la largeur de la mer territoriale canadienne là où le rebord de la marge continentale se trouve à une distance inférieure.	15 «règlement» French version only
«Petroleum and Natural Gas Act» Version anglaise seulement	«Petroleum and Natural Gas Act» means <i>The Petroleum and Natural Gas Act</i> , Chapter 294 of the Revised Statutes of Newfoundland, 1970, as amended from time to time;	20	20 «zone extracôtière» ou «zone» «offshore area»
«prescribed» Version anglaise seulement	«prescribed» means prescribed by regulations made by the Governor in Council;	25	
«Province» «provinces»	«Province» means the province of Newfoundland;		
«Provincial Act» Version anglaise seulement	«Provincial Act» means <i>The Canada-Newfoundland Atlantic Accord Implementation (Newfoundland) Act</i> ;	30	
«Provincial Minister» «ministre provincial»	«Provincial Minister» means the Minister of the Crown in right of the Province designated, pursuant to the Provincial Act, by the lieutenant governor in council of the Province as the provincial minister for the purposes of the Provincial Act or any provision thereof.	35	

Imposition of Consumption Taxes

Imposition of consumption taxes in offshore area

2. (1) There shall be imposed, levied and collected under this Part in respect of the offshore area, in accordance with subsection (3), the taxes, interest and penalties that would be imposed, levied and collected under

Levée d'impôts indirects

2. (1) Sont institués et recouvrés, sous le régime de la présente partie et conformément au paragraphe (3), les impôts, intérêts et amendes à l'égard de la zone extracôtière qui le seraient sous le régime des lois sur l'impôt

Levée

the Newfoundland Consumption Tax Acts if the offshore area were in the Province.

indirect si cette zone était située dans la province.

Exception

(2) Notwithstanding subsection (1), where taxes are imposed in respect of any matter under any of the Newfoundland Consumption Tax Acts and taxes would, but for this subsection, be imposed under subsection (1) in respect of that matter, no taxes shall be imposed under subsection (1) in respect of that matter.

(2) Il n'est pas institué d'impôt sous le régime du paragraphe (1) sur les objets imposables sous celui des lois sur l'impôt indirect.

Exception

Application of Newfoundland legislation

(3) Subject to this Act (the *Canada-Newfoundland Atlantic Accord Implementation Act*) and the regulations, the Newfoundland Consumption Tax Acts and any regulations made thereunder apply, with such modifications as the circumstances require, for the purposes of this Part as if those Acts had been enacted by Parliament and were incorporated in this Part and, without limiting the generality of the foregoing,

(3) Sous réserve des autres dispositions de la présente loi (*Loi de mise en œuvre de l'Accord atlantique Canada — Terre-Neuve*) et ses règlements, les lois sur l'impôt indirect et leurs règlements s'appliquent, compte tenu des adaptations de circonstance, dans le cadre de la présente partie, comme s'il s'agissait de lois adoptées par le Parlement et intégrées à celle-ci. Notamment, la mention dans ces lois des termes *Her Majesty in right of the Province, Province of Newfoundland* ou *province* et du ministre responsable de leur application vaut mention, respectivement, de Sa Majesté du chef du Canada, de la zone extracôtière et du ministre des Finances.

Application de la législation terre-neuvienne

(a) a reference in those Acts to Her Majesty in right of the Province shall be deemed to be a reference to Her Majesty in right of Canada;

(b) a reference in those Acts to the Province of Newfoundland or the province shall be deemed to be a reference to the offshore area; and

(c) a reference in those Acts to the Minister responsible for the administration of any of those Acts shall be deemed to be a reference to the Minister of Finance.

Binding on certain Crown corporations

(4) This section is binding on

(a) the corporations mentioned in Schedule A to the *Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contribution Act, 1977*, where the Province is a participating province within the meaning of subsection 34(1) of that Act; and

(b) the corporations mentioned in Schedule B to that Act.

(4) Le présent article lie les personnes morales mentionnées à l'annexe A de la *Loi de 1977 sur les accords fiscaux entre le gouvernement fédéral et les provinces, et sur les contributions fédérales en matière d'enseignement postsecondaire et de santé* si la province est une province signataire au sens du paragraphe 34(1) de la même loi, ainsi que celles visées à l'annexe B de la même loi.

Obligation

Imposition of Insurance Companies Tax

Levée d'une taxe sur les primes d'assurance

Insurance companies tax in offshore area

3. (1) There shall be imposed, levied and collected under this Part in respect of the insurance premiums received by any company with respect to property situated in the

3. (1) Sont institués et recouvrés, sous le régime de la présente partie et conformément au paragraphe (3), sur les primes d'assurances reçues par une compagnie pour les biens

Levée

offshore area at the time the insurance premiums become payable, in accordance with subsection (3), the taxes, interest and penalties that would be imposed, levied and collected under the Newfoundland Insurance Companies Tax Act if the property were situated in the Province.

Exception

(2) Notwithstanding subsection (1), where taxes are imposed in respect of any matter under the Newfoundland Insurance Companies Tax Act and taxes would, but for this subsection, be imposed under subsection (1) in respect of that matter, no taxes shall be imposed under subsection (1) in respect of that matter.

Application of Newfoundland legislation

(3) Subject to this Act and the regulations, the Newfoundland Insurance Companies Tax Act and any regulations made thereunder apply, with such modifications as the circumstances require, for the purposes of this Part as if that Act had been enacted by Parliament and was incorporated in this Part and, without limiting the generality of the foregoing,

(a) a reference in that Act to Her Majesty in right of the Province shall be deemed to be a reference to Her Majesty in right of Canada;

(b) a reference in that Act to the Province of Newfoundland or the province shall be deemed to be a reference to the offshore area; and

(c) a reference in that Act to the Minister responsible for the administration of that Act shall be deemed to be a reference to the Minister of Finance.

Definition of "company"

(4) In this section, "company" has the same meaning as in the Newfoundland Insurance Companies Tax Act.

Tax Administration Agreement

Power to collect

4. (1) Subject to subsection 7(1), where a tax administration agreement is entered into pursuant to subsection (3), taxes, interest, penalties and other sums payable under section 2 or 3 may be collected and administered and refunds in respect thereof may be granted by the Government of the Province on behalf of the Government of Canada in

situés dans la zone extracôtière au moment où la prime est exigible, les taxes, intérêts et amendes qui le seraient sous le régime de la loi sur l'imposition des compagnies d'assurances si les biens en cause étaient situés dans la province.

Exception

(2) Il n'est pas institué de taxe sous le régime du paragraphe (1) sur les objets imposables sous celui de la loi sur l'imposition des compagnies d'assurances.

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Application de la législation terre-neuvienne

(3) Sous réserve des autres dispositions de la présente loi et de ses règlements, la loi sur l'imposition des compagnies d'assurances et ses règlements s'appliquent, compte tenu des adaptations de circonstance, dans le cadre de la présente partie comme s'il s'agissait d'une loi adoptée par le Parlement et intégrée à celle-ci. Notamment, la mention dans cette loi des termes *Her Majesty in right of the Province, Province of Newfoundland* ou *province* et du ministre responsable de leur application vaut mention, respectivement, de Sa Majesté du chef du Canada, de la zone extracôtière et du ministre des Finances.

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Définition de «compagnie»

(4) Au présent article, «compagnie» a le sens du terme *company* de la loi sur l'imposition des compagnies d'assurance.

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Accord fiscal

Pouvoir de recouvrer

4. (1) Sous réserve du paragraphe 7(1), les montants — impôts, taxes, intérêts, amendes ou autres — payables sous le régime des articles 2 ou 3 peuvent être recouvrés, gérés ou remboursés par le gouvernement de la province pour le compte du gouvernement du Canada conformément aux modalités d'un accord fiscal, dans sa version

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accordance with the terms and conditions of the agreement, as amended from time to time pursuant to subsection (4).

Negotiation of
tax administra-
tion agreement

(2) The Minister of Finance shall, on the request of the Government of the Province, negotiate with the Provincial Minister of Finance a tax administration agreement with respect to the taxes, interest and penalties imposed under sections 2 and 3.

Tax administra-
tion agreement

(3) On completion of the negotiation of a tax administration agreement pursuant to subsection (2), the Minister of Finance, with the approval of the Governor in Council, shall, on behalf of the Government of Canada, enter into a tax administration agreement with the Government of the Province pursuant to which the Government of the Province shall, on behalf of the Government of Canada, collect and administer the taxes, interest, penalties and other sums payable under sections 2 and 3 and, without limiting the generality of the foregoing, grant refunds or make other payments in respect of those taxes, interest and penalties in accordance with the terms and conditions set out in the agreement.

Amendments to
the agreement

(4) The Minister of Finance, with the approval of the Governor in Council, may, on behalf of the Government of Canada, enter into an agreement amending the terms and conditions of any tax administration agreement entered into pursuant to subsection (3).

No further
liability

(5) A tax administration agreement may provide that, where any payment is received by the Government of the Province on account of any taxes, interest, penalties or other sum payable by a person under

(a) section 2 or 3, or

(b) both

(i) section 2 or 3, and

(ii) the Newfoundland Consumption Tax Acts or the Newfoundland Insurance Companies Tax Act,

the payment so received may be applied by the Government of the Province towards the taxes, interest, penalties or other sums payable by the person under any such provision or Act in such manner as is specified in the agreement, notwithstanding that the person

modifiée conformément au paragraphe (4), conclu conformément au paragraphe (3).

(2) Le ministre des Finances est, à la demande du gouvernement de la province, tenu de négocier avec son homologue provincial pour conclure un accord fiscal sur les impôts, taxes, intérêts et amendes visés aux articles 2 et 3.

Négociations

(3) Après les négociations, le ministre des Finances est tenu, avec l'approbation du gouverneur en conseil, de conclure au nom du gouvernement du Canada un accord fiscal avec le gouvernement de la province aux termes duquel celui-ci doit gérer et recouvrer, pour le compte du gouvernement du Canada, les montants — impôts, taxes, intérêts, amendes ou autres — payables sous le régime des articles 2 et 3 et, notamment, effectuer à cet égard tous remboursements ou paiements conformément aux modalités de l'accord.

Accord fiscal

(4) Le ministre des Finances peut, avec l'approbation du gouverneur en conseil, conclure au nom du gouvernement du Canada un accord modifiant les modalités de l'accord.

Modification de
l'accord

(5) L'accord peut prévoir, selon les modalités déterminées, que tout montant reçu par le gouvernement de la province, sous le régime des articles 2 ou 3, ou des deux, ou sous celui des articles 2 ou 3 et de la loi sur l'impôt indirect ou de la loi sur l'imposition des compagnies d'assurances, peut être imputé par celui-ci sur les montants — impôts, taxes, intérêts, amendes ou autres — payables par la personne assujettie sous leur régime en dépit de toute indication contraire de celle-ci ou l'absence d'indication.

Imputation

directed that the payment be applied in any other manner or made no direction as to its application.

Idem

(6) Any payment or part thereof applied by the Government of the Province in accordance with a tax administration agreement towards the taxes, interest, penalties or other sums payable by a person under section 2 or 3

(a) relieves that person of liability to pay such taxes, interest, penalties or other sums to the extent of the payment or part thereof so applied; and

(b) shall be deemed to have been applied in accordance with a direction made by that person.

Proof of provision of tax administration agreement

(7) A document purporting to be an agreement entered into pursuant to subsection (3) or (4) that is

(a) published in the *Canada Gazette*, or
(b) certified as such by, or on behalf of, the Receiver General, the Deputy Receiver General or the Minister of Finance

is, in the absence of evidence to the contrary, evidence of the contents thereof and is admissible in evidence without proof of the signature or official character of the person purporting to have certified it.

Transfer of powers and duties

5. (1) Where a tax administration agreement is entered into, the Provincial Minister, on behalf of, or as agent for, the Minister of Finance, is hereby authorized to perform all the duties and to exercise all the powers and any discretion that the Minister of Finance or the Deputy Minister of Finance has under this Part.

Idem

(2) Where a tax administration agreement is entered into, the Comptroller General of Finance of the Province may

(a) perform the duties and exercise any power or discretion that the Provincial Minister has under subsection (1) or otherwise under this Part; and

(b) designate officers of the Department of Finance of the Province to carry out such functions, perform such duties and exercise such powers as are similar to those that are carried out, performed or

(6) Les imputations totales ou partielles effectuées par le gouvernement de la province sur les montants payables par une personne assujettie sous le régime des articles 2 ou 3 libèrent celui-ci de son assujettissement à concurrence des montants imputés. Elles sont en outre réputées avoir été effectuées selon les indications de la personne assujettie.

Libération

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(7) Un document, censé être un accord fiscal, qui est soit publié dans la *Gazette du Canada*, soit certifié comme tel par le receveur général, le sous-receveur général ou le ministre des Finances, ou pour le compte de ceux-ci, fait, sauf preuve contraire, foi de son contenu et est admissible en preuve sans qu'il soit nécessaire de prouver l'authenticité de la signature qui y est apposée ou la qualité officielle du certificateur.

Preuve d'une disposition de l'accord fiscal

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5. (1) Sur conclusion de l'accord, le ministre provincial peut exercer, pour le compte du ministre des Finances, les attributions et disposer de la latitude dévolues à celui-ci et à son sous-ministre sous le régime de la présente partie.

Transfert des attributions

(2) Sur conclusion de l'accord, le fonctionnaire provincial appelé *Controller General of Finance* peut exercer les attributions et disposer de la latitude dévolues au ministre provincial sous le régime de la présente partie et, notamment, du paragraphe (1) et déléguer aux fonctionnaires du ministère provincial appelé *Department of Finance* les attributions correspondant à celles qui leur sont dévolues sous le régime des lois sur l'impôt indirect et de la loi sur l'imposition des compagnies d'assurances.

Idem

exercised by them on behalf of that Minister under the Newfoundland Consumption Tax Acts and the Newfoundland Insurance Companies Tax Act.

Imposition of Corporate Income Taxes

Imposition of
corporate
income tax in
offshore area

6. (1) There shall be imposed, levied and collected under this Part in respect of the taxable income of a corporation earned in a taxation year in the offshore area, in accordance with subsection (3), the taxes, interest and penalties that would be imposed, levied and collected under the Newfoundland Income Tax Act in respect of that taxable income if the offshore area were in the Province.

Exception

(2) Notwithstanding subsection (1), where taxes are imposed under the Newfoundland Income Tax Act in respect of taxable income of a corporation earned in a taxation year in the Province and taxes would, but for this subsection, be imposed under subsection (1) in respect of that taxable income, no taxes shall be imposed under subsection (1) in respect of that taxable income.

Application of
Newfoundland
Income Tax
Act

(3) Subject to this Act and the regulations made thereunder, the Newfoundland Income Tax Act and any regulations made thereunder apply, with such modifications as the circumstances require, for the purposes of this Part as if that Act had been enacted by Parliament and was incorporated in this Part and, without limiting the generality of the foregoing,

(a) a reference in that Act to Her Majesty in right of the Province shall be deemed to be a reference to Her Majesty in right of Canada;

(b) a reference in that Act to the Province of Newfoundland or the province shall be deemed to be a reference to the offshore area;

(c) a reference in that Act to the "Minister of Finance" shall be deemed to be a reference to

(i) in relation to the remittance of any amount as or on account of tax payable under that Act, the Receiver General of Canada, and

Imposition des personnes morales

Impôts :
personnes
morales

6. (1) Sont institués et recouvrés, sous le régime de la présente partie et conformément au paragraphe (3), sur le revenu imposable gagné dans une année d'imposition par les personnes morales, dans la zone extracôtière, les impôts, intérêts et amendes qui le seraient sous le régime de la loi sur l'impôt direct si cette zone était située dans la province.

Exception

(2) Aucun impôt n'est institué sous le régime du paragraphe (1) sur le revenu imposable, gagné dans une année d'imposition dans la province, sous celui de la loi sur l'impôt direct.

(3) Sous réserve des autres dispositions de la présente loi et de ses règlements, la loi sur l'impôt direct et ses règlements s'appliquent, compte tenu des adaptations de circonstance, dans le cadre de la présente partie comme s'il s'agissait d'une loi adoptée par le Parlement et intégrée à celle-ci. Et notamment, la mention dans cette loi des termes *Her Majesty in right of the Province, Province of Newfoundland, province* et *Minister of Finance* vaut mention, respectivement, de Sa Majesté du chef du Canada, de la zone extracôtière, du receveur général, s'agissant de tout versement des impôts, et, par ailleurs, du ministre fédéral du Revenu national. Enfin, mention du terme *Minister of National Revenue* vaut mention du ministre fédéral du Revenu national.

Application de
la législation
terre-neuvienne

(ii) in relation to any other matter, the Minister of National Revenue for Canada; and

(d) a reference in that Act to the "Minister of National Revenue" shall be deemed to be a reference to the Minister of National Revenue for Canada.

Determination of taxable income earned in the offshore area

(4) For the purposes of this section, the taxable income of a corporation earned in a taxation year in the offshore area or in the Province shall be determined in accordance with regulations made under paragraph 124(4)(a) of the *Income Tax Act*.

(4) Pour l'application du présent article, le revenu imposable gagné dans une année d'imposition par une personne morale, dans la zone extracôtière ou dans la province, est déterminé conformément au règlement d'application de l'alinéa 124(4)a) de la *Loi sur l'impôt sur le revenu*.

Détermination du revenu

Remittance to Receiver General

7. (1) All taxes, interest, penalties or other sums payable under section 2, 3 or 6 are payable and shall be remitted to the Receiver General.

7. (1) Les montants — impôts, taxes, intérêts, amendes ou autres — payables sous le régime des articles 2, 3 ou 6 sont à verser au receveur général.

Versement au receveur général

Consolidated Revenue Fund

(2) On the collection or receipt of any taxes, interest, penalties or other sums by the Government of the Province pursuant to this Part, the taxes, interest, penalties or other sums shall be deposited as soon as practicable to the credit of the Receiver General and paid into the Consolidated Revenue Fund in the manner prescribed by the Treasury Board under the *Financial Administration Act*.

(2) Dès que possible après leur recouvrement ou réception par le gouvernement de la province sous le régime de la présente partie, les montants sont déposés au crédit du receveur général et versés au Trésor selon les modalités prévues, par règlement, par le Conseil du Trésor conformément à la *Loi sur l'administration financière*.

Trésor

Collection of excess sums

(3) Every person who knowingly collects or receives any sum of money as taxes under this Part in circumstances where the sum is not payable shall forthwith

(a) refund the sum to the person from whom he collected or received it; or

(b) if the person referred to in paragraph (a) is not known or readily ascertainable, pay the sum to the Receiver General.

(3) Quiconque, sciemment, recouvre ou reçoit un montant à titre d'impôt ou taxe sous le régime de la présente partie qui ne lui est pas payable doit sans délai le rembourser à la personne qui le lui a versé ou, si cette personne n'est pas connue ou n'est pas facilement identifiable, la verser au receveur général.

Trop-reçu

Liability and Collection of Tax

Assujettissement et recouvrement

Debts due to Her Majesty

8. All taxes, interest, penalties or other sums payable under section 2, 3 or 6 are debts due to Her Majesty in right of Canada and are recoverable as such from the person required to pay the taxes, interest, penalties or other sums in accordance with this Part.

8. Les montants — impôts, taxes, intérêts, amendes ou autres — payables sous le régime des articles 2, 3 ou 6 sont des créances de Sa Majesté du chef du Canada et sont recouvrables à ce titre auprès des personnes qui y sont assujetties.

Créances de Sa Majesté

Regulations

Règlement

Regulations

9. The Governor in Council may, on the recommendation of the Minister of Finance, make regulations

(a) excluding, for the purposes of this Act, any provision or any part thereof of the Newfoundland Consumption Tax Acts, the Newfoundland Income Tax Act, the Newfoundland Insurance Companies Tax Act or the Petroleum and Natural Gas Act or of any regulation made thereunder that is inconsistent with this Act, the Atlantic Accord or any bilateral or international treaty, convention or agreement respecting taxation, tariffs or trade to which the Government of Canada is a signatory; and

(b) prescribing anything that is by this Part to be prescribed.

9. Le gouverneur en conseil peut, par règlement, sur recommandation du ministre des Finances, :

a) exclure, pour l'application de la présente loi, telle disposition des lois sur l'impôt indirect, de la loi sur l'impôt direct, de la loi sur l'imposition des compagnies d'assurances, de la loi intitulée *Petroleum and Natural Gas Act*, chapitre 294 des lois intitulées *Revised Statutes of Newfoundland* de 1970, ou de leurs règlements incompatible avec la présente loi, l'Accord atlantique ou tous traités, conventions ou accords internationaux portant sur les impôts, les tarifs ou le commerce dont le gouvernement du Canada est signataire;

b) procéder à toute mesure d'ordre réglementaire prévue par la présente partie.

Règlement

PART II

PARTIE II

INCOME TAX ACT

LOI DE L'IMPÔT SUR LE REVENU

10. Subsection 124(4) of the *Income Tax Act* is amended by adding thereto the following paragraph:

“(b) “province” includes the Newfoundland offshore area.”

“province”
«province»

11. Subsection 248(1) of the said Act is amended by adding thereto, in alphabetical order within the subsection, the following definition:

““Newfoundland offshore area” has the meaning assigned to the expression “offshore area” by the *Canada-Newfoundland Atlantic Accord Implementation Act*;

“Newfoundland offshore area”
«zone extracôtière de Terre-Neuve»

10. Le paragraphe 124(4) de la *Loi sur l'impôt sur le revenu* est modifié par adjonction de ce qui suit :

«b) «province» s'entend en outre de la zone extracôtière de Terre-Neuve.»

«province»
“province”

11. Le paragraphe 248(1) de la même loi est modifié par insertion, suivant l'ordre alphabétique, de ce qui suit :

«zone extracôtière de Terre-Neuve» a le sens du terme «zone extracôtière» de la *Loi de mise en oeuvre de l'Accord atlantique Canada — Terre-Neuve*;

«zone extracôtière de Terre-Neuve»
“Newfoundland offshore area”

PART III

PARTIE III

COMMENCEMENT

ENTRÉE EN VIGUEUR

Coming into force

12. (1) Subject to subsection (2), Part I or any provision thereof shall come into force on a day or days to be fixed by proclamation.

12. (1) Sous réserve du paragraphe (2), la partie I ou telle de ses dispositions entre en vigueur à la date ou aux dates fixées par proclamation.

Entrée en vigueur

Idem

(2) Sections 6, 10 and 11 are applicable to taxation years commencing after a day to be fixed by proclamation.

(2) Les articles 6, 10 et 11 s'appliquent aux années d'imposition commençant après la date fixée par proclamation.

Idem

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